

UNITED STATES INTERNATIONAL TRADE COMMISSION
Washington, DC 20436

**MEMORANDUM ON PROPOSED TARIFF LEGISLATION
of the 109th Congress¹**

[Date approved: November 29, 2005]²

Bill no. and sponsor: H.R. 2478 (Mr. Earl Blumenauer of Oregon).

Proponent name, location: Bicycle Product Suppliers Association, Montgomeryville, PA.

Other bills on product (109th Congress only): None.

Nature of bill: Temporary duty suspension through December 31, 2008.

Retroactive effect: None.

Suggested article description(s) for enactment (including appropriate HTS subheading(s)):

Baby carriers, chain tension adjustors, chain covers, mechanical grips with 7/8" internal diameter, air horns, wide-angle reflectors, saddle covers of plastics, chain tensioners, toe clips, head sets and seat posts, all the foregoing designed for use on bicycles (provided for in subheading 8714.99.80).

Check one: Same as that in bill as introduced.
 Different from that in bill as introduced (see Technical comments section).

Product information, including uses/applications and source(s) of imports:

A **baby carrier** or passenger seat sits directly on the bicycle frame. This device transports children under forty pounds, and typically has straps to secure the child.

A **chain tension adjustor** is made of base metal or alloy metal and is used to align or adjust a bicycle chain.

A **bicycle chain cover** is made of metal or plastic to protect the rider from the wheel and chain.

Mechanical grips holders with 7/8 inch internal diameter are mechanical bolt binders used on a bicycle handle bar to clamp hard plastic grip holders.

An **air horn** is a device which operates in conjunction with a pressurized air container to create sound.

A **wide angle reflector** is made of convex shaped molded plastic panels (typically three). The outer surface of the face plate is smooth and the inner surface is formed by hundreds of small cube-corner hexagonal cell shapes used to reflect light.

¹ Industry analyst preparing report: Ruben Mata (202-205-3403); Tariff Affairs contact: Jan Summers (202-205-2605).

² An electronic copy of this memorandum is available at http://usitc.gov/tata/hts/other/rel_doc/bill_reports/index.htm.

A **plastic saddle cover** is made of plastic and is used to cover a seat on a bicycle saddle (seat).

Safety pads are made from either white or colored head foam (polystyrene or polypropylene) that are part of a bicycle helmet. Safety pads are designed to keep the bicycle helmet properly positioned and secure and absorb sweat. These pads do not affect safety of the helmet. (See technical comments.)

A **chain tensioner** is an idler pulley used to adjust the chain tension of a tandem synchronizing chain by pulling on the rear axle with a screw thread.

Toe clips are used to securely attach a biker's feet to the pedals and may be either clips and straps. They resemble stirrups and generally comprise leather or fabric straps.

Head sets are the bicycle bearing assemblies that connect the front fork to the frame and permit the fork to turn for steering and balancing.

A **seat post** is a frame component to which the saddle is attached. It is inserted into the seat tube.

China is the leading supplier of these products, followed by Taiwan and France.

Estimated effect on customs revenue:

HTS subheading: <u>8714.99.80</u>					
	2005	2006	2007	2008	2009
Col. 1-General rate of duty					
Col. 1-General rate of duty	10%	10%	10%	10%	10%
Estimated value <i>dutiable</i> imports	\$60,000,000	\$63,000,000	\$66,000,000	\$69,000,000	\$72,000,000
Customs revenue loss	\$6,000,000	\$6,300,000	\$6,600,000	\$6,900,000	\$7,200,000

Source of estimated dutiable import data: Commission estimates based on official U.S. Government statistics and industry information.

Contacts with domestic firms/organizations (including the proponent):

Name of firm/organization	Date contacted	US production of same or competitive product claimed?	Submission attached?	Opposition noted?
		(Yes/No)		
Bicycle Product Suppliers Assn. (Proponent) Maureen Waddington 215-393-3144	09/15/2005	No	No	No
Adventure Components info@adventurecomponents.com	09/21/2005	No	No	No
American Classic sales@amclassic.com	09/21/2005	No	No	No
Astrix Sports info@astrixsports.com	09/21/2005	No	No	No
Brew Bikes brew1dude@skybest.com	09/21/2005	No	No	No
Calfee Design craig@calfeedesign.com	09/21/2005	No	No	No
Cane Creek Cycling Components info@canecreek.com	09/21/2005	No	No	No
Castellano Designs jc@castellanodesigns.com	09/21/2005	No	No	No
Crank Brothers Christina Orlandella, christina@crankbrothers.com	09/21/2005	No	No	No
Curtlo Cycles iamcurtlo@aol.com	09/21/2005	No	No	No
Custom Cycle Supply, Inc. ccsbmx@aol.com	09/21/2005	No	No	No
Easton Sports John Harrington, jharrington@eastonsports.com	09/21/2005	No	No	No
E. Thirteen Components e13@e13components.com	09/21/2005	No	No	No
Eko Sport, Inc. info@ekosport.com	09/21/2005	No	No	No
Elite Bicycles info@elitebicycles.com	09/21/2005	No	No	No
Felt Racing info@feltracing.com	09/21/2005	No	No	No

FMF BMX sales@fmfbmx.com	09/21/2005	No	No	No
Foes Fabrications info@foesracing.com	09/21/2005	No	No	No
Frisco BMX stanmsc@aol.com	09/21/2005	No	No	No
Goodridge ussales@goodridge.net	09/21/2005	No	No	No
Griffen USA griffenbikeusa@aol.com	09/21/2005	No	No	No
Heron Bicycles Todd Kuzma, todd@heronbicycles.com	09/21/2005	No	No	No
Hope Technology USA info@hopetech.com	09/21/2005	No	No	No
Intense Cycles cyclesales@intensecycles.com	09/21/2005	No	No	No
IRD interlocracing@aol.com	09/21/2005	No	No	No
Kelly Bike Chris Kelly, chris@kellybike.com	09/21/2005	No	No	No
Kestrel Bicycles info@kestrel-usa.com	09/21/2005	No	No	No
Kool-Stop Original ksicalifornia@sbcglobal.net	09/21/2005	No	No	No
Litespeed info@litespeed.com	09/21/2005	No	No	No
M2Racer info@m2racer.com	09/21/2005	No	No	No
Maverick American Ed Kuh, ed@maverickbike.com	09/21/2005	No	No	No
Maxm Components info@maxmcomponents.com	09/21/2005	No	No	No
Moots Cycles info@moots.com	09/21/2005	No	No	No
Nobilette Cycles Mark Nobilette, mnobilette@msn.com	09/21/2005	No	No	No
Odyssey Nuno Oliveira, nunoo@odsseybmx.com	09/21/2005	No	No	No
Parlee Cycles info@parleecycles.com	09/21/2005	No	No	No

Paul Component Engineering info@paulcomp.com	09/21/2005	No	No	No
Phil Wood & Co. sales@philwood.com	09/21/2005	No	No	No
PowerCrank Frank Day, fday@powercranks.com	09/21/2005	No	No	No
Profile Design customerservice@profile-design.com	09/21/2005	No	No	No
Racermate sales@velotron.com	09/21/2005	No	No	No
Rav X info@ravx.com	09/21/2005	No	No	No
Ritchey Designs contact_us@ritcheylogic.com	09/21/2005	No	No	No
Salsa Cycles pman@salsacycles.com	09/21/2005	No	No	No
Scura Speed & Technology Brian Scura, Brian@projectsst.com	09/21/2005	No	No	No
Seven Cycles info@sevencycles.com	09/21/2005	No	No	No
Sharp Sprockets Bill Sharp, Bill@sharpsprockets.com	09/21/2005	No	No	No
Sinister Bikes info@sinisterbikes.com	09/21/2005	No	No	No
Snafu BMX Mike Collins, mike@revolution-ads.com	09/21/2005	No	No	No
Soma Fabrications somafab@aol.com	09/21/2005	No	No	No
SRAM sramusa@sram.com	09/21/2005	No	No	No
SRP spr-info@waiteco.com	09/21/2005	No	No	No
Staats Bicycles Jason Halverson, jason@staatsbikes.com	09/21/2005	No	No	No
Steelman Cycles info@steelmancycles.com	09/21/2005	No	No	No
Sun Ringle info@sunrims.com	09/21/2005	No	No	No
Supercross BMX info@supercrossbmx.com	09/21/2005	No	No	No

Surly Bikes derby@surlybikes.com	09/21/2005	No	No	No
Terrible One info@terribleone.com	09/21/2005	No	No	No
Therapy Components shocktherapy@therapycomponents.com	09/21/2005	No	No	No
True Temper Sports/Alpha Q sales@alphaqbike.com	09/21/2005	No	No	No
Vuelta USA sales@vueltausa.com	09/21/2005	No	No	No
Wald Manufacturing Co., Inc. sales@waldllc.com	09/21/2005	No	No	No
White Industries info@whiteind.com	09/21/2005	No	No	No
Woodman Components USA woodmanusa@earthlink.net	09/21/2005	No	No	No
Worksman Bicycle Brake Corp. International Mark Worksman, mworksman@aol.com	09/21/2005	No	No	No
Wound Up Composite Cycles woundup@advancedcomposites.com	09/21/2005	No	No	No
WTB, Inc. sales@wtb.com	09/21/2005	No	No	No
Zinn Cycles Lennard Zinn, l.zinn@comcast.net	09/21/2005	No	Yes	No
Zipp Speed Weaponry Rick Cox, rickcox@zipp.com	09/21/2005	No	No	No

Technical comments:³

It is suggested that minor modifications in the article description be made, as shown on page one. Safety pads for helmets would likely not be classified as parts of bicycles but are instead parts of helmets, which are likewise not treated as parts of bicycles; we have not identified Customs rulings on this product. We have suggested deleting this component from the article description of the proposed heading; a separate chapter 99 heading would be needed to deal with this product. Also, we note that “chief use” is not generally employed in the HTS, as it was under the former Tariff Schedules of the United States, and we suggest that “designed for use” would be a good alternative.

³ The Commission may express an opinion on the HTS classification of a product to facilitate consideration of the bill. However, by law, only the U.S. Customs Service is authorized to issue a binding ruling on this matter. The Commission believes that the U.S. Customs Service should be consulted prior to enactment of the bill.

109TH CONGRESS
1ST SESSION

H. R. 2478

To suspend temporarily the duty on certain bicycle parts.

IN THE HOUSE OF REPRESENTATIVES

MAY 19, 2005

Mr. BLUMENAUER introduced the following bill; which was referred to the
Committee on Ways and Means

A BILL

To suspend temporarily the duty on certain bicycle parts.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. CERTAIN BICYCLE PARTS.**

4 (a) IN GENERAL.—Subchapter II of chapter 99 of
5 the Harmonized Tariff Schedule of the United States is
6 amended by inserting in numerical sequence the following
7 new heading:

“	9902.87.14	Baby carriers, chain adjusters, chain covers, mechanical grips with 7/8" internal diameter, air horns, wide-angle reflectors, plastic saddle covers, safety pads, chain tensioners, toe clips, head sets, seat posts, all the foregoing for chief use on bicycles (provided for in sub-heading 8714.99.80)	Free	No change	No change	On or before 12/31/2008	”.
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1 (b) EFFECTIVE DATE.—The amendment made by
2 subsection (a) applies to goods entered, or withdrawn from
3 warehouse for consumption, on or after the 15th day after
4 the date of the enactment of this Act.

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